

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

TUESDAY, JUNE 14, 2011, AT 2:45 PM

IN THE MARY BRENNAN BOARD ROOM

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 2:52 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen C. Hittner, M.D; Joseph M. Cianciolo; Deborah M. Thomas; Bradford S. Dimeo; Robert S. Sangster; Michael F. Ryan.

BOARD MEMBERS ABSENT: Michael A. Traficante.

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Cianciolo and seconded by Ms. Thomas

to approve the minutes of the Board of Director's Meeting of April 20, 2011. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. No one came forward.

3. Report from President and CEO:

Mr. Dillon reported that passenger traffic for May was up 1.8% on approximately 4.5% less scheduled capacity. Year to date traffic was down 2.21%.

Mr. Dillon reported that total operations for the General Aviation Airports were down 12.92%. Total fuel sales were down 16.25%. It was noted that fuel sales have been impacted by the increase in fuel pricing. There was discussion of how pricing is set at the General Aviation airports.

Mr. Dillon reported that the Greater Providence Chamber of Commerce will be holding a meeting at the airport on June 28th to discuss convening a committee of business leaders to assist in air service marketing outreach, and to ask for their assistance in providing their company's travel data so that RIAC can use it as a benchmark for route development initiatives. There was brief

discussion of economic issues which affect the industry.

Mr. Dillon reported that he is working to schedule air service marketing meetings with several air carriers, and was in the process of scheduling a meeting for the Governor to meet with a major airline.

Mr. Dillon reported that the new Delta service had been well received. He did note that the Raleigh Durham service will stop on September 1st. However, Delta has indicated that they would consider providing seasonal service to this destination if operational numbers over the summer months show seasonal demand.

Mr. Dillon reported that Cape Air resumed their seasonal service from T. F. Green on June 3rd.

Mr. Dillon reported that RIAC had issued an RFP for an Air Service Marketing Consultant who will assist in route development.

Mr. Dillon reported that AVPorts is transitioning into management of the General Aviation Airports.

Mr. Dillon reported that the Annual Quonset Air Show is scheduled for June 25th and 26th. The Show Practice will be on June 24th. The Rhode Island Pilot's Association will be hosting a barbecue with items for purchase at noon on June 24th at Quonset.

Mr. Dillon reported that RIAC has issued an RFP for a Project Management Team for the EIS projects. Mr. Dillon explained that this team will be an extension of staff.

Mr. Dillon reported that the InterLink project was the recipient of the America's Transportation Award in the Innovative Management Category sponsored by the American Association of State Highway and Transportation Officials, AAA and the US Chamber of Commerce.

Mr. Dillon reported that the Final EIS will be filed in the Federal Register in the first week of July. A meeting is being scheduled by FAA with the Congressional Delegation on June 27th to discuss the project. Mr. Dillon noted that the FAA has stated that they intend to issue the ROD at the end of August or beginning of September.

Mr. Dillon reported that he met with the Senate Fiscal Committee on May 5th along with other transportation agencies in Rhode Island, where he gave a general overview of airport operations. Mr. Dillon reported that the issue of the General Aviation Airports, and their economic viability was discussed at this meeting. Mr. Dillon noted that the general aviation airports and their overall role in the Rhode Island airport system was already being addressed by RIAC.

Mr. Dillon reported that his annual meeting with the Warwick

Delegation was held on June 9th. He noted that the meeting was very well attended, and they were able to cover a number of outstanding issues.

Mr. Dillon reported that RIAC had officially responded to the Governor's request for information on public relations and lobbying contracts. He noted that RIAC will be conducting a thorough review of all outstanding contracts.

Mr. Dillon reported that T. F. Green's TSA Federal Security Director (FSD), Joseph Salter, is retiring on June 18th. TSA's Assistant Federal Security Director, Frank Lisi, will serve as Acting FSD until a replacement is identified.

4. Action Items:

(a) Consideration of and Action Upon Approval to Enter into an Agreement to Provide Elevator, Escalator and Moving Walkway Maintenance at T. F. Green and Quonset Airports.

Mr. Dillon gave an overview noting that the agreement is for maintenance of elevators, escalators, and the moving walkways in the terminal, parking garages and the InterLink facility at T. F. Green Airport. It also covers maintenance of the elevator in the hangar at Quonset Airport. It was noted that the units were all from different manufacturers. The recommendation is that the Board authorize the

President and CEO, or his designee, to enter into an Agreement with KONE, Inc., to provide elevator, escalator and moving walkway maintenance for a five-year period.

A motion was made by Mr. Dimeo and seconded by Ms. Thomas to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) intends to enter into an Agreement with KONE, Inc. (KONE) for a period of five years to provide elevator, escalator and moving walkway maintenance for the Bruce Sundlun Terminal, the parking garages and the InterLink Facility at T. F. Green Airport and the hangar at Quonset Airport; and

WHEREAS, the proposed Fiscal Year 2012 Operations and Maintenance budget includes \$50,000 for the Bruce Sundlun Terminal, \$29,400 for the parking garages, \$50,000 for the InterLink Facility and \$1,200 for the hangar at Quonset Airport; and

WHEREAS, the expenditures for the InterLink Facility will be funded with InterLink Facility Revenues; and

WHEREAS, RIAC Procurement Rules Section 2.2.2.5 – Cooperative Contracts allows RIAC to make use of cooperative contracts with any agency of the federal government, the State of Rhode Island and its subdivisions or with any agency of another state; and

WHEREAS, all three firms are included in the federal government's General Services Administration (GSA) vendor list; and

WHEREAS, KONE is included in the US Communities Government Purchasing Alliance; and

WHEREAS, RIAC and the State of Rhode Island are registered members of this alliance; and

WHEREAS, RIAC staff solicited quotes from three firms that provide elevator, escalator and moving walkway maintenance; and

WHEREAS, RIAC staff has reviewed the Scope and Fee provided by all three firms and recommends entering into a five year Agreement with KONE in the amount of \$1,063,184 utilizing the US Communities Government Purchasing Alliance; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to enter into an Agreement with KONE, Inc. to provide elevator, escalator and moving walkway maintenance for a five year period in the amount of \$1,063,184.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval of a Professional Services Agreement for Electric Cart Services for the InterLink Facility at T. F. Green Airport.

Mr. Dillon gave an overview of the Agreement noting that it was for the operation of electric cart services between the InterLink Facility and the terminal building. There was general discussion of the specific services being provided, including anticipated costs. The recommendation is that the Board authorize the President and CEO, or his designee, to execute a Professional Services Agreement with International RAM Associates for the operation of Electric Cart Services between the InterLink facility and the terminal building.

A motion was made by Ms. Thomas and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, on March 10, 2011, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) to provide Electric Cart Services between the InterLink Facility and the Bruce Sundlun Terminal Building at T. F. Green Airport pursuant to RIAC Procurement Rules; and

WHEREAS, RIAC received one proposal on March 18, 2011 from International RAM Associates (IRAM), in response to this RFP; and

WHEREAS, IRAM proposed a rate of \$15.85 per hour for straight time and \$23.78 per hour for overtime; and

WHEREAS, the Selection Committee comprised of Bruce Wilde, Vice President of Terminal and Landside Service; Tim Pimental, Air Service Marketing Specialist and Bill Cox, Manager of Business Administration reviewed and evaluated the proposal; and

WHEREAS, the Selection Committee unanimously agreed the firm International RAM Associates was qualified to perform these services; and

WHEREAS, the proposed Fiscal Year 2012 Operations and Maintenance budget for the InterLink Facility includes \$125,000 for these services funded with InterLink Facility Revenues.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board approve the attached resolution authorizing the President and CEO, or his designee, to execute a Professional Services Agreement with International RAM Associates for the operation of Electric Cart Services between the InterLink Facility and the Bruce Sundlun Terminal Building in the amount of \$125,000 for a one year term with two additional one year terms at the discretion of RIAC.

The motion was passed by five votes in the affirmative, with one member abstaining. Those votes are as follows:

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Bradford S. Dimeo

Michael F. Ryan

NAYS: None.

ABSTAIN: Robert D. Sangster

(c) Consideration of and Action Upon Approval of an Amendment to the Agreement for Construction Phase Engineering and Architectural Services for the InterLink Facility at T. F. Green Airport.

Mr. Dillon gave an overview of the amendment, noting that it is to provide additional design and construction administration services. There was discussion of the scope of these services, funding, and specifically funds that are left in the project contingency and remaining commitments on the project. The recommendation is that the Board authorize the President and CEO, or his designee, to execute an Amendment to the Construction Phase Engineering and Architectural Services Agreement with Jacobs Engineering Group,

Inc., to provide additional Design and Construction Administration Services for the InterLink Project at T. F. Green Airport, subject to RIDOT and FHWA approval.

A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:

WHEREAS, the Rhode Island Department of Transportation (RIDOT) procured the services of Jacobs Engineering Group, Inc. (Jacobs), formerly Edwards and Kelcey, to provide Design and Construction Phase Services related to the InterLink Facility at T. F. Green Airport; and

WHEREAS, on September 26, 2008, the Board of Directors authorized RIAC to enter into a Construction Administration Agreement with Jacobs to provide Construction Phase Activities; and

WHEREAS, there is a need for Jacobs to perform additional Design and Construction Administration Services; and

WHEREAS, RIAC staff has negotiated a Scope and Fee with Jacobs to provide additional Design and Construction Administration Services in the amount of \$399,977; and

WHEREAS, the final Scope and Fee with Jacobs for work authorized by this resolution will be subject to Rhode Island Department of

Transportation and Federal Highway Administration approvals.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to execute an Amendment to the Construction Phase Engineering and Architectural Services Agreement with Jacobs Engineering Group, Inc. to provide additional Design and Construction Administration Services for the InterLink Project at T. F. Green Airport in an amount not to exceed \$399,977, subject to Rhode Island Department of Transportation and Federal Highway Administration approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a New Policy on Outside Employment for RIAC Employees.

Mr. Dillon gave an overview of the policy noting that Rhode Island General Laws § 42-64-8(f) provides that employees may only work in outside employment with the consent of the Board. Mr. Dillon noted that the policy was drafted based on a review of best corporate practices, legal and human resources materials and was also reviewed in concert with the Rhode Island Code of Ethics. The policy was designed for the Board to delegate its approval authority to the President and CEO, or his designee. There was general discussion of the provisions in the policy and reporting procedures. The

recommendation is that the Board approve the outside employment policy as presented.

A motion was made by Mr. Sangster and seconded by Mr. Ryan to approve the following resolution:

WHEREAS, Rhode Island General Laws § 42-64-8(f) provides that employees of the Rhode Island Airport Corporation (RIAC) may not engage in outside employment without the consent of the RIAC Board; and

WHEREAS, RIAC management proposes the attached formal policy governing outside employment of employees; and

WHEREAS, the proposed Outside Employment Policy was drafted to (a) avoid conflicts of interest (b) avoid allowing outside employment that could adversely affect an employee's performance (c) comport with the Rhode Island Code of Ethics and (d) follow common industry practices; and

WHEREAS, by its adoption of the Outside Employment Policy, the RIAC Board will delegate its approval authority to the RIAC President and CEO or his/her designee, subject to the guidelines contained in the approved policy.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the RIAC Board of Directors adopts the attached Outside Employment Policy.

The motion was passed unanimously.

(e) Consideration of and Action Upon Election of Board Treasurer and Board Secretary.

Dr. Hittner called for nominations for Board Treasurer and Board Secretary for the Corporation. A motion was made by Mr. Cianciolo and seconded by Mr. Sangster to approve the following nominations:

Ms. Deborah M. Thomas Board Treasurer

Mr. Bradford S. Dimeo Board Secretary

The motion was passed by four in the affirmative with two members abstaining. Those votes are as follows:

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Robert D. Sangster

Michael F. Ryan

NAYS: None

ABSTAIN: Deborah M. Thomas

Bradford S. Dimeo

Mr. Sangster asked that the official record reflect that the Board Treasurer will serve as the Chair of the Finance and Audit Committee.

5. Finance and Audit Committee Report:

Consent Items:

A motion was made by Ms. Thomas and seconded by Mr. Cianciolo to approve the items on the consent agenda. The motion was passed unanimously.

(a) Consideration of and Action Upon Approval of the Fiscal Year 2012 Budget.

The FY 2012 budget was approved in substantially the form presented to the Board.

(b) Consideration of and Action Upon Approval to Bind Insurance Policies

that are Effective June 30, 2011.

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, RIAC carries General Liability Insurance, Aircraft Hull and Liability Insurance, Property Insurance, Automobile Insurance, Inland Marine (Mobile Equipment) Insurance, Crime Insurance, Workers' Compensation Insurance, Pollution Insurance, Flood Insurance, Storage Tank Insurance and Director's and Officer's Insurance policies; and

WHEREAS, all policies except for Director's and Officer's, Storage Tank and Flood have renewal dates of June 30, 2011; and

WHEREAS, RIAC utilizes the brokerage services of Willis of Massachusetts, Inc. (Willis) to competitively market its Insurance Program; and

WHEREAS, after an extensive marketing process, Willis and RIAC management recommend that the following policies be bound effective June 30, 2011; and

Policy Carrier Premium¹ FY 2012 Expense

**Property American Guarantee and Liability Insurance Company
(Zurich) \$ 388,181 \$ 388,181**

General Liability Commerce and Industry Insurance Company (A Chartis Company)	119,929	119,929
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Automobile The Wausau Underwriters Insurance Company (a Liberty Mutual Co)	61,090	61,090
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Mobile Equipment The Hartford	23,396	23,396
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Crime Travelers Casualty and Surety Company of America	4,976	4,976
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Policy Carrier Premium¹ FY 2012 Expense

Fiduciary Travelers Casualty and Surety Company of America	5,051	5,051
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Aviation Hull Liability USAU:United States Aviation Underwriters (USAIG)	50,000	50,000
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Workers Compensation Beacon Mutual Insurance Company	316,553	316,553
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Pollution Great American Insurance Company	266,456	53,291
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Total \$	1,235,632	\$ 1,022,467
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1 – All premiums are for one year except Pollution Liability which is for a five year policy.

WHEREAS, RIAC has a fiscal year budget which provides funding for these policies through its Operating & Maintenance (O & M) budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board authorizes the President and CEO, or his designee, to bind the insurance policies that are effective June 30, 2011 as recommended by Willis of Massachusetts, Inc. and RIAC management.

6. Executive Session:

At approximately 3:28 p.m. a motion was made by Mr. Ryan and seconded by Ms. Thomas to go into Executive Session for the purposes of discussing the following items:

(a) Motion to Approve the Minutes of the Executive Session Held on April 20, 2011 – R.I.G.L. § 42-46-5(a)(2), (5); and

(b) Discussion Related to One Potential Litigation Matter (EIS) and One Pending Matter (Fire Watch) - R.I.G.L. § 42-46-5(a)(2); and

(c) Investment of Public Funds Where Premature Disclosure Would Be Detrimental to the Public Interest (Airport and Air Service Development) – R.I.G.L. § 42-46-5(a)(7); and

(d) Considerations Related to the Acquisition of Real Property for Public Purposes at T. F. Green Airport - R.I.G.L. § 42-46-5(a)(5); and

(e) Motion to Return to Open Session.

By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Robert D. Sangster

Michael F. Ryan

Bradford S. Dimeo

NAYS: None

ABSTAIN: None

At approximately 4:20 p.m., a motion was made by Mr. Cianciolo and seconded by Mr. Sangster to reconvene to the Open Session. The motion was passed unanimously.

7. Post Executive Session Actions and Announcements:

(a) Motion to Seal the Minutes of the Executive Session Held on June

14, 2011.

A motion was made by Mr. Ryan and seconded by Mr. Dimeo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously.

YEAS: Kathleen C. Hittner, M.D.

Joseph M. Cianciolo

Deborah M. Thomas

Robert D. Sangster

Michael F. Ryan

Bradford S. Dimeo

NAYS: None

ABSTAIN: None

(b) Report on Actions Taken During Executive Session:

During the Executive Session a motion was made by Ms. Thomas to approve the sealed minutes of the Executive Session held on April 20, 2011. The motion was seconded by Mr. Cianciolo. The motion was passed unanimously.

8. Future Meetings:

The next meeting is scheduled for Wednesday, July 20, 2011 at 4:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

9. Adjournment:

Mr. Ryan moved to adjourn at approximately 4:25 p.m. Ms. Thomas seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D., Chair
Rhode Island Airport Corporation**

**PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION**

MEETING OF THE BOARD OF DIRECTORS

TUESDAY, JUNE 14, 2011

NAME	AFFILIATION
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Brian Schattle	RIAC
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Peter Frazier	RIAC
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Patti Goldstein	RIAC
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Ann Clarke	RIAC
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Robert Goff	New England Parking
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Paul McDonough	Louis Berger
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Val Mendonca	HNTB
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John Howell	Warwick Beacon
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Frazier Walsh	URS Corporation
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J. Henry	Unite Here 217
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J. Perez	Unite Here 217
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K. Colon Unite Here 217

A. Jarvis Unite Here 217

Andrew Tillett Unite Here 217

Brian Kiely Unite Here 217

Marlin Calel Unite Here 217

The minutes of the Executive Session of the Board Meeting of June 14, 2011, have been sealed in accordance with R.I.G.L. § 42-46-4.